



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
445 TWELFTH STREET, S.W.
WASHINGTON, D.C. 20554

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DA 04-1502
Released: May 26, 2004

**VERESTAR INC. (DEBTOR-IN-POSSESSION),
VERESTAR NETWORKS, INC. (DEBTOR-IN-POSSESSION)
AND SES AMERICOM, INC. SEEK FCC CONSENT
TO ASSIGN AND/OR TRANSFER CONTROL OF LICENSES AND
AUTHORIZATIONS**

**PLEADING CYCLE ESTABLISHED
IB Docket No. 04-174**

Petitions Due: June 15, 2004
Oppositions Due: June 25, 2004
Replies Due: June 30, 2004

I. INTRODUCTION

Verestar, Inc. (Debtor-in-Possession) ("Verestar, Inc.") and Verestar Networks, Inc. (Debtor-in-Possession) ("Verestar Networks" and, together with Verestar, Inc., "Verestar") and SES AMERICOM, Inc. ("SES Americom" and, collectively with Verestar, the "Applicants") have filed a series of applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (the "Act").¹ In these applications, the Applicants seek Commission approval of the assignment or transfer of control of licenses and authorizations held by Verestar, Inc. or Verestar Networks to SES Americom. This assignment/transfer will take place as a result of an Asset Sale Agreement under which Verestar will assign/transfer all of its FCC licenses and authorizations to SES Americom. These applications pertain to licenses for earth stations, the Common Carrier Fixed Point-to-Point Microwave Service, the Local Television Transmission Service, the Private Land Mobile Radio Service, the Private Operational Fixed-Service License, and domestic and international section 214 authorizations.

II. THE PARTIES

Verestar is a provider of domestic and international communications services. Verestar

¹ 47 U.S.C. §§ 214, 310(d).

resells transponder space capacity and provides teleport (earth station uplink/downlink) services. The services include capacity for the distribution of, among other things, data, voice, broadband and Internet access and video services. Verestar's customers include broadcasters, multi-national corporations, communications companies and government agencies.

SES Americom and its affiliates provide domestic and international satellite services through geosynchronous satellites and supporting network facilities. SES Americom's primary business is providing bulk transponder capacity. SES Americom's customers use its satellite capacity for video distribution (e.g., broadcast, direct-to-home, and cable), radio programming distribution, high speed Internet access, private network, data and voice services. SES Americom's customers include carriers, private industry, video service providers, government agencies and resellers. SES GLOBAL S.A. ("SES Global"), the ultimate parent of SES Americom, has subsidiaries that have interests in satellite service providers in other parts of the world and provide satellite services in the Americas, Asia, Europe and Africa.

III. DESCRIPTION OF TRANSACTION

On December 22, 2003, Verestar, Inc. and its subsidiaries, Verestar Networks and Verestar International, Inc. filed a voluntary petition for reorganization in the United States bankruptcy court for the Southern District of New York.² As a result of this Chapter 11 filing, the FCC licenses and authorizations held by Verestar, Inc. and Verestar Networks underwent involuntary, *pro forma* assignments to Verestar, Inc. (Debtor-in-Possession) and Verestar Networks, Inc. (Debtor-in-Possession), respectively. Pursuant to an Asset Sale Agreement, SES Americom will purchase substantially all of Verestar's assets, including Verestar's interests in the subject FCC licenses and authorizations. An *Order* approving the transaction was issued by the bankruptcy court on April 23, 2004.

The Applicants state that the approval of the assignments/transfers will serve the public interest. They state that Verestar's financial distress creates substantial risk that it will have to discontinue service. They assert that SES Americom's purchase of Verestar will provide the necessary financial stability for continuation of service. They also argue that the assignments/transfers will not have an adverse competitive impact on the U.S. satellite services/transponder leasing market because the number of transponders under the contractual control of Verestar is small relative to the size of the overall market, leading to only a *de minimus* degree of concentration.

The Applicants state that SES Americom is controlled and indirectly wholly-owned by SES Global, a company incorporated in Luxembourg, a World Trade Organization member. The Applicants further state that, although the indirect foreign ownership interests in SES Americom exceed the 25 percent benchmark set forth in section 310(b)(4) of the Act,³ a petition for

² *In re Verestar, Inc. et al.*, Case No. 03-18077 (Bankr. S.D.N.Y.).

³ 47 U.S.C. § 310(b)(4).

declaratory ruling is not required in this case because (1) the Commission has previously approved the indirect foreign ownership of SES Americom in excess of 25 percent,⁴ (2) the foreign ownership of SES Americom has not materially changed since the Commission's rulings, and (3) the Commission has previously determined that SES Americom is qualified to hold common carrier licenses.

IV. SECTION 310 APPLICATIONS

A. Earth Stations

Applicants filed the following applications for consent to the assignment of earth station licenses from Verestar, Inc. to SES Americom:

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
SES-ASG-20040503-00672	Verestar, Inc. (DIP)	E030294
SES-ASG-20040503-00673	Verestar, Inc. (DIP)	E020093

B. Other Wireless Licenses

Applicants filed the following application for consent to the assignment of licenses in the Common Carrier Fixed Point-to-Point Microwave Service, the Local Television Transmission Service, the Private Land Mobile Radio Service, the Private Operational Fixed-Service License from Verestar, Inc. to SES Americom:

<u>File Number⁵</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0001685559	Verestar, Inc. (DIP)	WAH564

⁴ See *Application of General Electric Capital Corporation, Transferors, and SES Global, S.A. Transferee*, Order and Authorization, 16 FCC Rcd 17575 (IB/WTB 2001); *Application of General Electric Capital Corporation, Transferors, and SES Global, S.A. Transferee*, Supplemental Order, 16 FCC Rcd 18878 (IB/WTB 2001).

⁵ We note that this application was placed on public notice as accepted for filing on May 12, 2004. See Wireless Telecommunications Bureau Assignment of License Authorization Applications, Transfer of Control of Licensee Applications, and *De Facto* Transfer Lease Applications Accepted for Filing, Public Notice, Report No. 1827 (WTB rel. May 12, 2004). We clarify that the instant *Public Notice* supersedes that earlier public notice to the extent that the pleading cycle set forth herein will apply to this application.

V. SECTION 214 AUTHORIZATIONS

A. International

Applicants filed the following applications to assign international section 214 authorizations from Verestar, Inc. and Verestar Networks to SES Americom:

<u>File No.</u>	<u>Authorization Holder</u>	<u>Lead Authorization Number</u>
ITC-ASG-20040429-00186	Verestar Networks, Inc. (DIP)	ITC-214-19961230-00657
ITC-ASG-20040429-00187	Verestar, Inc. (DIP)	ITC-214-19960801-00362

B. Domestic

Applicants filed an application for consent to transfer control of domestic section 214 authority from Verestar Networks, Inc. and Verestar, Inc. to SES Americom.

VI. GENERAL INFORMATION

The transfer of control applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies. Final action on these applications will not be taken earlier than thirty-one days following the date of this Public Notice.⁶

Interested parties must file petitions to deny no later than **June 15, 2004**. Oppositions to such pleadings must be filed no later than **June 25, 2004**. Replies to such pleadings must be filed no later than **June 30, 2004**. All filings concerning matters referenced to in this Public Notice should refer to **IB Docket No. 04-174**, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

Under the Commission's current procedures for the submission of filings and other documents,⁷ submissions in this matter may be filed electronically (*i.e.*, though ECFS) or by hand delivery to the Commission's Massachusetts Avenue location.

- **If filed by ECFS,**⁸ comments shall be sent as an electronic file via the Internet to <http://www.fcc.gov/e-file/ecfs.html>. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.
- **If filed by paper,** the original and four copies of each filing must be filed by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts

⁶ See 47 U.S.C. § 309(b).

⁷ See Implementation of Interim Electronic Filing Procedures for Certain Commission Filings, *Order*, 16 FCC Rcd. 21,483 (2001); see also FCC Announces a New Filing Location for Paper Documents and a New Fax Number for General Correspondence, *Public Notice*, 16 FCC Rcd. 22,165 (2001); Reminder: Filing Locations for Paper Documents and Instructions for Mailing Electronic Media, *Public Notice*, 18 FCC Rcd. 16,705 (2003).

⁸ See Electronic Filing of Documents in Rulemaking Proceedings, GC Docket No. 97-113, *Report and Order*, 13 FCC Rcd. 11,322 (1998).

Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, S.W., Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

One copy of each pleading must be delivered electronically, by e-mail or facsimile, or if delivered as paper copy, by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (according to the procedures set forth above for paper filings), to:

(1) the Commission's duplicating contractor, Qualex International, at qualexint@aol.com or (202) 863-2898 (facsimile);

(2) Joann Lucanick, Satellite Division, International Bureau, at JoAnn.Lucanick@fcc.gov, or (202) 418-0748 (facsimile);

(3) Marilyn Simon, Satellite Division, International Bureau, at Marilyn.Simon@fcc.gov, or (202) 418-0748 (facsimile);

(4) Jeanette Spriggs, Satellite Division, International Bureau, at Jeanette.Spriggs@fcc.gov, or (202) 418-0748 (facsimile);

(5) David Krech, Policy Division, International Bureau, at David.Krech@fcc.gov or (202) 418-1460 (facsimile);

(6) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, at Dennis.Johnson@fcc.gov, or (202) 418-1413 (facsimile);

(7) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, at Tracey.Wilson@fcc.gov, or (202) 418-1413 (facsimile);

(8) Jeff Tobias, Public Safety and Critical Infrastructure Division, Wireless Telecommunications Bureau, at Jeff.Tobias@fcc.gov, or (202) 418-2643 (facsimile); and,

(9) Neil Dellar, Office of General Counsel, at Neil.Dellar@fcc.gov, or (202) 418-1234 (facsimile).

Copies of the applications and any subsequently-filed documents in this matter may be obtained from Qualex International, in person at 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, via telephone at (202) 863-2893, via facsimile at (202) 863-2898, or via e-mail at qualexint@aol.com. The applications and any associated documents are also

available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. The applications are also available electronically through the Commission's ECFS, which may be accessed on the Commission's Internet website at <http://www.fcc.gov>. Alternate formats of this public notice (computer diskette, large print, audio recording, and Braille) are available to persons with disabilities by contacting Brian Millin at (202) 418-7426 (voice), (202) 418-7365 (TTY), or send an e-mail to access@fcc.gov.

For further information, contact David Krech, Policy Division, International Bureau, at (202) 418-1460, or Joann Lucanick, Satellite Division, International Bureau, at (202) 418-0719.

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